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Jan 5, 2000

DEPARTMENT OF LIVESTOCK



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STATE OF MONTANA

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BEFORE THE BOARD OF MILK CONTROL  
OF THE STATE OF MONTANA  
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

STATE DOCUMENTS COLLECTION

JAN 19 2000

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12:01 a.m.

MONTANA  
1915

PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$13.45 /CWT

EFFECTIVE FEBRUARY 1, 2000:

The minimum price to pay milk producers, under ARM 32.24.301, is \$13.45 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of ten and one-tenth cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.01.

CLASS I BUTTERFAT PRICE PER POUND

\$1.01 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$10.71 /CWT

Average spray process dry milk solids  
price per pound = \$1.02500  
Multiplied by 8.2 x 8.2

\$8.40500

\$8.40500

PLUS +

Last quote of the month for Grade AA butter  
minus a differential of \$.0895 \$0.78550  
Multiplied by 4.2 x 4.2

\$3.29910

+ \$3.29910

LESS 8.5% ( \$11.70410 X .085)

- \$11.70410  
\$0.99485

\$10.70925

Rounded to the nearest whole cent = \$10.71 /hundredweight.

PLEASE RETURN

EFF: FEB 1, 2000

**CLASS II BUTTERFAT PRICE PER POUND****\$0.85 /LB**

Butterfat differential	\$0.78550 X .111 )	=	\$0.08719
Rounded to the nearest half cent		=	\$0.085

**CLASS II VALUE OF ONE POUND OF SKIM****0.08015544 /LB**

Butterfat value per pound for milk at 3.5% test:	\$0.85		
Hundredweight price of milk testing 3.5% LESS 3.5 pounds of butterfat at	\$0.85 per pound	=	\$10.71
		=	\$2.975
Value of 96.5 pounds of skim		=	\$7.735
Value of one pound of skim	7.735 / 96.5 pounds)	=	\$0.08016 /LB

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(5)

**CLASS III BUTTERFAT PRICE PER POUND****\$0.71 /LB**

Last quote of the month for Grade AA butter minus a difference of \$.0895	=	\$0.78550
LESS 10%		\$0.07855
		\$0.70695

Rounded to the nearest whole cent	\$0.71 per pound.
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**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****6.97615 /CWT**

Avg. spray process dry milk solid price/lb	\$1.02500
Multiplied by 8.2	8.2
	\$8.40500
LESS 17%	\$1.42885
	\$6.97615

Rounded to the nearest whole cent	\$6.98 per hundredweight.
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**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$9.22 /CWT**

3.5 pounds of butterfat	\$0.71 per pound =	\$2.485
96.5 pounds of skim	\$0.06976 per pound =	\$6.732

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

**\$9.217 /CWT**

Compiled by: Marilyn M. Mattfeldt  
 Marilyn M. Mattfeldt, Program Specialist  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$13.45 FOR 3.5% MILK 96.5 LBS = \$8.249		CLASS II SKIM PRICE BASED ON \$10.71 FOR 3.5% MILK 96.5 LBS = \$7.735		CLASS III SKIM PRICE BASED ON \$9.22 FOR 3.5% MILK 96.5 LBS = \$6.732	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.08461	2.50	\$0.07933	2.50	\$0.06904
2.55	\$0.08465	2.55	\$0.07937	2.55	\$0.06908
2.60	\$0.08470	2.60	\$0.07941	2.60	\$0.06912
2.65	\$0.08474	2.65	\$0.07946	2.65	\$0.06915
2.70	\$0.08478	2.70	\$0.07950	2.70	\$0.06919
2.75	\$0.08483	2.75	\$0.07954	2.75	\$0.06922
2.80	\$0.08487	2.80	\$0.07958	2.80	\$0.06926
2.85	\$0.08491	2.85	\$0.07962	2.85	\$0.06929
2.90	\$0.08496	2.90	\$0.07966	2.90	\$0.06933
2.95	\$0.08500	2.95	\$0.07970	2.95	\$0.06936
3.00	\$0.08504	3.00	\$0.07974	3.00	\$0.06940
3.05	\$0.08509	3.05	\$0.07978	3.05	\$0.06944
3.10	\$0.08513	3.10	\$0.07982	3.10	\$0.06947
3.15	\$0.08518	3.15	\$0.07987	3.15	\$0.06951
3.20	\$0.08522	3.20	\$0.07991	3.20	\$0.06954
3.25	\$0.08526	3.25	\$0.07995	3.25	\$0.06958
3.30	\$0.08531	3.30	\$0.07999	3.30	\$0.06962
3.35	\$0.08535	3.35	\$0.08003	3.35	\$0.06965
3.40	\$0.08540	3.40	\$0.08007	3.40	\$0.06969
3.45	\$0.08544	3.45	\$0.08011	3.45	\$0.06972
3.50	\$0.08549	3.50	\$0.08016	3.50	\$0.06976
3.55	\$0.08553	3.55	\$0.08020	3.55	\$0.06980
3.60	\$0.08557	3.60	\$0.08024	3.60	\$0.06983
3.65	\$0.08562	3.65	\$0.08028	3.65	\$0.06987
3.70	\$0.08566	3.70	\$0.08032	3.70	\$0.06990
3.75	\$0.08571	3.75	\$0.08036	3.75	\$0.06994
3.80	\$0.08575	3.80	\$0.08041	3.80	\$0.06998
3.85	\$0.08580	3.85	\$0.08045	3.85	\$0.07001
3.90	\$0.08584	3.90	\$0.08049	3.90	\$0.07005
3.95	\$0.08589	3.95	\$0.08053	3.95	\$0.07009
4.00	\$0.08593	4.00	\$0.08057	4.00	\$0.07012
4.05	\$0.08598	4.05	\$0.08061	4.05	\$0.07016
4.10	\$0.08602	4.10	\$0.08066	4.10	\$0.07020
4.15	\$0.08607	4.15	\$0.08070	4.15	\$0.07023
4.20	\$0.08611	4.20	\$0.08074	4.20	\$0.07027
4.25	\$0.08616	4.25	\$0.08078	4.25	\$0.07031
4.30	\$0.08620	4.30	\$0.08083	4.30	\$0.07034
4.35	\$0.08625	4.35	\$0.08087	4.35	\$0.07038
4.40	\$0.08629	4.40	\$0.08091	4.40	\$0.07042
4.45	\$0.08634	4.45	\$0.08095	4.45	\$0.07045
4.50	\$0.08638	4.50	\$0.08099	4.50	\$0.07049

## PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 1998 and 1999

Statistics from the Montana Milk Control Bureau

Month	1999	2000	Difference	% Change
January	\$19.39	\$12.34	(\$7.05)	-36.36%
February	\$19.89	\$13.45	(\$6.44)	-32.38%
March	\$18.82			
April	\$12.82			
May	\$14.17			
June	\$14.36			
July	\$13.81			
August	\$13.97			
September	\$16.14			
October	\$18.34			
November	\$18.81			
December	<u>\$14.04</u>			
<b>Average</b>	<b>\$16.21</b>	<b>\$12.90</b>	<b>(\$6.75)</b>	<b>-34.37%</b>

Prices are per hundredweight (CWT).

